

ADMINISTRATIVE REPORT TO COUNCIL
ON
CORPORATE SERVICES DEPARTMENT'S 2019 YEAR IN REVIEW

PURPOSE

To present the Corporate Services Department's 2019 Year in Review.

COUNCIL STRATEGIC PLAN

This report supports Council's strategic priorities and areas of focus regarding:

- **Governance and Accountability**
 - Asset Management: We proactively plan for the repair and replacement of our infrastructure.
 - Community Engagement: We are committed to engaging and connecting with Kamloops residents and stakeholders.
 - Fiscal Responsibility: We are fiscally responsible and accountable.
- **Livability**
 - Safety: We recognize the importance of a safe and secure community.
- **Environmental Leadership**
 - Climate Action: We enhance the City's resiliency and capacity for mitigating and adapting to the impacts of climate change.
 - Sustainability: We implement strategies that reduce our impact on the environment.

SUMMARY

Under the guidance of the Corporate Services Director, the department provides financial, information technology (IT), risk management, and legislative services.

The Finance team comprises the Financial Services Division (payroll, general accounting, accounts payable, and revenue and taxation), the Risk Management Division (liability, property insurance, claims, and risk mitigation), and the Planning and Procurement Division (budget, asset management, procurement, and inventory).

The Legislative Services Division provides support for Council meetings and other legislative requirements, including records management and Freedom of Information (FOI) requests.

The IT Division provides GIS (mapping); business analysis; and network, database, and security services. It also manages and administers the City's electronic equipment and many corporate applications.

As a support department, our team primarily interfaces with and supports the operational departments in various ways.

RECOMMENDATION:**For Council information only.****SUPPORTING COUNCIL AND CORPORATE DIRECTION**

There is no applicable information.

DISCUSSION**Financial Services Division**

The Financial Services Division is responsible for financial oversight for the City. This includes the accurate and timely processing of financial information, such as vendor invoices or employee payroll, as well as the creation of financial reports that summarize and analyze information for operational decision making. Through the increased use of technology, the Financial Services Division finds efficiencies in day-to-day processing, which allows staff to focus on value-added services. As part of this transformation, employees are being trained as generalists, as opposed to specialists, in many of our divisions. The Financial Services Division is a prime example of the benefits of cross-training, where staff are able to learn and understand the roles in different areas of finance. This has led to efficiencies such as shared workloads, knowledge transfer, and the ability to distribute employees' job duties for sick/vacation coverage. Improving the technology will be the next challenge as Administration moves to modernize the City's financial processes.

Revenue and Taxation Section

	2019	2018	Change
Property tax folios managed	37,707	37,505	0.5%
Home Owner Grant applications	26,246	26,061	0.7%
Utility accounts managed	25,254	24,912	1.3%
Accounts receivable transactions	9,112	8,103	12.45%

The Revenue and Taxation Section has started the process of improving the future of payment service for residents by changing the City's payment service vendor for e-commerce to allow online payment processing. The team developed and implemented an education campaign for Home Owner Grant and property tax payments and created a secondary payment station at the Tournament Capital Centre during the tax season. The team supported the Community and Protective Services Department in implementing new recreation software (PerfectMind) and changing parking services. The team continues to update and streamline accounts receivable processes.

Payroll Section

The Payroll Section was extremely busy in 2019. The team implemented the wage changes from the new CUPE five-year collective agreement and the management group's pay grid and transitioned the benefits administration system to Desjardins (the organization's new benefits provider). During the transition, the City moved from a self-administered program to a

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provider-administrated program. All of these changes were implemented in addition to the normal biweekly payroll processing, which sees the team process approximately 4,000 timesheets every two weeks, with a payroll cost averaging \$2.5 million dollars per pay period.

Accounts Payable

	2019	2018	Change
Invoices processed	35,697	34,403	3.8%
Cheques issued	10,841	10,973	(1.2%)

To defend against cyber theft, the Accounts Payable team has made adjustments to minimize the risk of fraudulent transactions being processed and paid. Procedures for reviewing requested vendor changes, including vendor contact and banking information, are in place. The team has begun paying more vendors by electronic funds transfers (EFTs) to reduce the number of cheques processed weekly. The team has continued to work with the Planning and Procurement Division to improve the procure-to-pay process. In 2019, the focus was on processing and paying invoices for capital projects. The process improvements, combined with EFT payments, have allowed for efficiencies in processing and vendor payment timing. The team also provided FTE support to other Finance teams and RCMP municipal staff by releasing clerks to assist as needed. Although this created some challenges for the Accounts Payable team with regard to processing, it was critical that the other teams' needs be met. It also provided an opportunity for staff to learn new skills.

Planning and Procurement Division

The Planning and Procurement Division is located at the Civic Operations Centre and provides financial planning, purchasing, inventory, and asset management services. The team works closely with the City's operations teams and other divisions by assisting with the purchase of goods and services; providing support in development of capital projects costs, forecasts, and annual budgets; and leading the development of a long-term asset management plan for the City.

The Planning and Procurement Division is responsible for the following three pillars of activity within the organization:

- developing the annual budgeting process
- developing, coordinating, and maintaining the corporate asset management plans and creating the link between the City's operational activities and the long-term financial plan
- delivering organization procurement activities in a compliant, fair, open, and transparent manner

Financial Planning Section

In spring 2019, Council approved the Financial Plan Bylaw. The 2019–2023 Five-Year Financial Plan outlined a modest increase of 2.26%, including all supplemental items approved by Council. The focus of this team has been enhancing and improving the overall budget process. Continuous and focused improvements have resulted in a smoother and more effective process, which allows for an improved understanding of key business drivers with an increased focus on

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strategic, longer-term initiatives. Additionally, the Financial Planning Section has been working on developing a matrix for budget decision making, which will take into account Council Strategic priorities, operational needs, risk, legislation, and other factors so that the City can better prioritize and rationalize its decision making on capital and operational budget requests.

The Financial Planning team saw some personnel changes at the start of 2019. The new team has challenged traditional processes with a clear focus on looking for a better way to complete the work with a higher degree of efficiency. For example, the Financial Planning team and the Financial Services team have shortened the financial year-end closing process from three–four months to four–five weeks.

In order to further reduce the time spent on year-end processes, the organization will need to review and make significant changes to the financial technology environment as the current structure of the application software configuration creates challenges.

With considerable progress made around year-end processing, the Financial Planning team has been able to focus on producing the final Five-Year Financial Plan document for Council without producing a draft version first. This change allows information to be reported to Council in a timely manner and eliminates spending hours of time on compiling a draft budget book as well as the cost associated with producing a temporary document.

The key focus for the team heading into 2020 will be to continue to look for efficiencies with reporting, aim to provide information to users in a more efficient manner and continue to meet deadline dates.

Asset Management Section

During the development of the 2019–2023 Five-Year Financial Plan, Council approved a supplemental item related to asset management funding. This funding strategy identified an opportunity to set aside 0.5% of the taxation amount to support the ongoing maintenance and repairs of civic assets. At the end of 2019, the balance of the Asset Management Reserve was \$550,000. Guidelines are under development for how these funds are to be used and distributed and will be first presented to the Finance Committee in the second quarter of 2020.

Over the course of the year, the Asset Management team, with assistance from Urban Systems Ltd., developed an asset management policy. The City also received a \$10,000 grant from the Province's Asset Management Planning Program (Local Government Infrastructure, Ministry of Municipal Affairs and Housing) in May 2019.

Later in the year, the City applied for and received a second grant for up to \$15,000 in support of asset management from the Union of British Columbia Municipalities' Asset Management Planning program. These funds are being used to review and update the City's Asset Management Strategy in 2020.

Significant steps are underway to develop the financial structures needed to support the various asset groups that have been identified. Over the course of 2020, an initial assessment of the City's infrastructure funding gap will be determined based on the current state of the information available. Supporting the understanding of the current gap, a framework will be rolled out to the

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Asset Management Working Groups and will be reflected within the Reserve and Surplus Policy currently being developed.

Purchasing and Inventory Control Section

2019 Procurement Activities

Category	Count	Value
Requests for proposal	31	\$50,100,000
Requests for quote	17	\$2,800,000
Notices of intent	4	\$1,700,000
Asset disposal	63	\$119,000
Invitations to tender	1	\$350,000
Requests for information	1	\$0
Requests for expression of interest	1	\$0
Contracts	114	\$42,200,000
Purchase orders	2,221	\$58,100,000

2019 Contracts Count by Value

Count	Value
52	<\$25,000
11	\$25,001–\$50,000
8	\$50,001–\$75,000
35	\$75,001–\$1,000,000
6	\$1,000,001–\$5,000,000
2	>\$5,000,000

During fall 2019, the Procurement team began trialing Bonfire, an e-sourcing platform, to help introduce greater efficiencies to the overall request for proposals review process by effectively digitizing the sharing of procurement information. Bonfire has been well received by Administration and the City's vendor groups. The strength of the platform provides a greater degree of centralization and leverages current technologies to provide an ease of proposal scoring and consolidation of procurement-related performance metrics.

The evaluation period began in September 2019, and the following metrics are available. Performance indicators for 2020 are still being developed as information is made available. Over the course of 2020, benchmark data will be identified and suitable goals will be determined.

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Metric	Score	Comments
Average number of days to evaluate proposals	25.55 days	Average time period from close of submission to completion of evaluation and identifying selected vendor
Average number of days from close to release	1.01 days	Average number of days from close of submission to engaging an evaluation team
Paper not used	10,600 pages	Using an e-platform greatly reduces the number of printed hard copies, which aligns with Council's goals regarding sustainability

Risk Management Division

The Risk Management Division has always encouraged City staff to report incidents or potential hazards they come across during their regular duties. We believe City staff are reporting incidents more often, as the number of reported incidents went from 424 incidents in 2018 to 553 incidents in 2019. Some of the incidents may be attributed to more incidents occurring in 2019; however, we feel the main reason for the increase was due to staff's efficiencies, diligence, and understanding of the importance of reporting incidents.

We believe strongly that when these incidents are dealt with as soon as the City becomes aware of them, the potential liability and property claims from them is reduced considerably over time.

In 2019, the Municipal Insurance Association of BC (MIABC) paid a \$19,626 dividend to the City. This dividend was applied to the City's 2020 liability insurance premium. We will continue to put our best efforts forward to reduce claims and claims-related expenses. We will also continue to support the MIABC claims philosophy, which is to resolve every claim on a principled basis—we will not pay nuisance claims or claims that we are not legally liable for.

In 2019, Suncorp Valuations completed an extensive appraisal of all City-insured assets. The City, along with its property insurers, Royal Sun Alliance of Canada, know that the City's asset values are in order. The extensive appraisal helped the City maintain an "as is" insurance rate during its 2019 property insurance renewal. This was very good news, especially during a hard insurance market, which saw some municipalities' rates increase by 30%. Upon renewal, the City was also given blanket insurance coverage, which provides us with a wider range of protection with a large single limit of coverage.

In 2019, the City's property insurance premium increased; however, that was solely due to our increased values of our City-insured assets. The City also purchased cyber liability insurance for the first time. Cyber risks have been prevalent and are on the rise throughout the world. Due to the risk of financial loss, disruption of service, or reputational harm from potential cyber attacks on the City's IT systems, the Corporate Services Department, in consultation with the IT management team and the Corporate Leadership Team, decided to purchase the cyber liability insurance.

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We hope that the insurance market will have softened by the time the City's property insurance policy is renewed in September 2020. If it is still a hard market when we renew, there may be a rate increase beyond our control. At this time, we are comfortable that the City's insured assets are adequately insured.

The Risk Management Division will continue to work with City staff, our liability and property insurance providers, and our legal counsel to strive for a safer, secure, and healthy community by reducing and managing the risks.

Office Services - On Call Clerical

The Office Services team supported the City by providing on call clerical relief for sick and/or vacation coverage and provided assistance during departmental peak times. We strive to hire employees who are a good fit for the culture of the whole organization and who will add to our vast range of knowledge and skills. In 2019, six on call employees worked in multiple locations throughout the organization in approximately 21 different roles. The knowledge and experience gained and the relationships built while working on call benefit the organization in the end, as these employees often move on to permanent positions. We view this position as an important entry point to the City.

Legislative Services Division

The core responsibilities of the Legislative Services team include preparing Council agendas and minutes, providing procedural support at Council and Council committee meetings, providing legislative and procedural guidance to Council and staff, supporting Council committees with meeting statutory requirements, processing FOI requests, and providing records management support.

Through the *Freedom of Information and Protection of Privacy Act* (FOIPPA), citizens can request information from the City. These requests take a variety of forms, and responsive records can range from one page to thousands of pages. The increasing complexity of these requests has created significant time challenges for the Legislative Services Division.

In early 2019, Council approved the routine release of certain information that had been received through the FOI process until that point. This included requests for information regarding incidents attended by Kamloops Fire Rescue (KFR), and requests for information regarding traffic signal timing. As KFR-related requests accounted for 57% of FOI requests (a total of 69) in 2018, it is not surprising that the overall number of FOI requests dropped in 2019.

However, if we remove KFR requests from the 2018 total in order to compare statistics for the types of requests that continue to be routed through the FOI process, the City received 30 more requests in 2019 than in 2018, which amounts to a 57% increase in non-KFR requests. Many of these requests are from legal and/or commercial entities and require significant staff time to apply complex legal tests to ensure that information is being redacted and released in accordance with FOIPPA.

The following chart provides comparative statistics regarding FOI requests over the past five years. A comparison between 2019 and 2017 illustrates how, despite a lower number of

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requests in 2019, the number of response pages is comparable to 2017 and the amount of staff time is slightly higher.

FOI	2015	2016	2017	2018	2019
Requests received (excluding KFR requests)	52	51	58	53	83
KFR Requests	28	45	61	69	-**
No. of response pages*	-	8,604	3,808	7,005	3,558
Total staff hours	681.55	406	311.15	725.25	314.4

*2016 was the first year that the number of pages was tracked.

**These requests no longer fall under FOI and were therefore not tracked.

Legislative Services also administers municipal elections and referenda. In late 2019, this division began preparations for the April 4, 2020, referendum on the Kamloops Centre for the Arts.

Information Technology Division

In 2019, the IT Division began implementing a number of initiatives from the City's Digital Strategy. The primary focus over the next two to three years is foundational in nature to ensure that our systems, applications, and data are secure, scalable, and performing at the required levels. This includes updating and upgrading many technical infrastructure components, back office tools, and technologies at all levels of our IT systems. In addition, a strong focus is being put on increasing IT capacity through automation, process improvements, and implementing governance processes to ensure the correct internal requests are being worked on at the right time. These have been enabled by enhancing our project management practices and dedicating resources to these activities while balancing the demands of the organization.

As we move through the Digital Strategy projects, functional and technical capabilities will be realized, which will result in benefits such as improved automation and efficiencies, collaboration, and seamless access to data and documents by the City's employees, Council, and citizens.

The IT Division manages and administers the following:

- 750 laptops, desktops, and tablets
- over 400 mobile devices
- over 900 user accounts
- 350 servers
- 70 corporate applications
- 700 spatial datasets that comprise 5.14 million mapped features in the GIS system

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The IT Division consists of four groups that work closely with one another and with all departments across the organization. Accomplishments in 2019 included the following:

- project management and technical support to implement the PerfectMind system
- technical support to acquire and implement a new Human Resources (HR) talent management system and develop a custom HR labour relations application
- implementing improved IT work request and collaboration tools
- implementing a framework for automating IT system and infrastructure management
- pilot launch of virtual meeting tools

Two of the key challenges facing IT in 2020 are the following:

- We need to balance modernizing our IT systems and make progress on the Digital Strategy with delivering service requests to the organization. To address this need, we will improve our internal service level definitions and implement an internal governance initiative to ensure we balance service requests with the foundational IT activities.
- We need to ensure we have the correct level of technical skills and experience, and we will do this by leveraging our already-acquired external partners to provide resources in key areas and to train our internal teams.

Business Analysis Services Section

The Business Analysis Services team acts as the bridge between the business units and the IT team. By providing project management and technical implementation expertise, the Business Analysis team assists other departments in developing and evaluating requests for proposals, analyzing processes, and implementing business solutions to create operational efficiencies.

Database and Security Section

The Database and Security team is responsible for managing IT infrastructure and development, including wired and wireless connectivity services, servers, storage, databases, developed applications, and integration between systems. The team enables electronic communications and access to systems for both City staff and customers who interface electronically with the City. This group also participates in securing systems, data, and personal information.

Client Services Section

The Client Services team provides helpdesk services to all City employees and departments. It fields over 7,000 requests per year and handles all aspects of employee hardware such as computer workstations, laptops, printers, desktop applications, and cell phones. The helpdesk services for hardware and software include assistance in set-up, administration, support, and replacement of the equipment.

GIS Section

The GIS team is responsible for geographic data mapping and analysis services, utility and asset mapping, online property information services, developing and delivering in-field apps to assist field crews/operations, supporting the Development, Engineering, and Sustainability

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Department's projects and plans, managing the myKamloops issue-reporting app and the Report an Issue web service. The team also creates and maintains dozens of online maps for public consumption.

Overall, the Corporate Services divisions are all striving to enhance the services provided to both staff and the public. Many of these initiatives will take time and are rooted in enhanced technology and systems. As the stewards of many of the corporate data systems, our divisional goal is to help others achieve their strategic objectives through enabling data driven decision making across the organization.



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Approved for Council

KH/lm/kjm

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